GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:835
ANSWERED ON:22.11.2007
OUTSOURCING OF MANUFACTURING AND RESEARCH TO INDIA
Vallabbhaneni Shri Balashowry

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is aware that global pharma companies are keen to outsource manufacturing and research to India;

(b) if so, the estimated size of outsourcing in monetary terms; and

(c) the manner in which the Government proposes to seize this opportunity for the benefit of the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) and (b): As per the information received from Pharmaceutical Industry sources, the outsourcing of manufacturing activity is being carried routinely in pharmaceutical industry. It is used to meet short term needs for capacity, special regulatory requirements and product specific technology needs which benefit the smaller units by making them economically viable through use of their idle capacity. Owing to cost advantage, many leading overseas companies are getting their research projects outsourced through some Contract Research Organisations (CROs) as well as in-house R&D units being operated by various Indian Pharma Companies. Exact data, on the size of such activities in monetary terms is not monitored by the Government.

(c) : Government is providing many fiscal incentives to in-house Research and Development Units. These incentives are being extended to the DSIR approved R&D units including those engaged in Contract Research work for Global Pharma Companies.